

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Telecommunications Carriers Eligible	)	WC Docket No. 09-197
For Universal Service Support	)	

**TRACFONE WIRELESS, INC.'S  
PETITION TO EXPAND ELIGIBLE TELECOMMUNICATIONS  
CARRIER DESIGNATION TO INCLUDE TRIBAL LANDS**

TracFone Wireless, Inc. (“TracFone”), pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (the “Act”) (47 U.S.C. § 214(e)(6)), petitions the Commission to expand its designation as an Eligible Telecommunications Carrier (“ETC”) to include Tribal lands within the following states: Alabama, Connecticut, Massachusetts, New York, North Carolina, and Virginia (“FCC-designated states”).<sup>1</sup> As explained in this Petition, TracFone will enhance its current Lifeline service offering to provide additional airtime minutes and mobile broadband allowances to qualifying households residing on Tribal lands based upon its receipt of federal Tribal lands support. The Commission’s grant of TracFone’s Petition will serve the public interest by allowing qualifying households residing on Tribal lands to receive enhanced Lifeline offerings and benefit from increased competition in the market for Lifeline service.

**I. BACKGROUND**

TracFone is incorporated under the laws of the State of Delaware and is headquartered at Miami, Florida. Its corporate offices are located at 9700 N.W. 112th Avenue, Miami, Florida, 33178. TracFone is a reseller of commercial mobile radio service (“CMRS”) throughout the

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<sup>1</sup> In accordance with 47 C.F.R. § 54.202(c), TracFone is sending a copy of its Petition to the relevant tribal governments and tribal regulatory authorities.

United States, including all FCC-designated states. TracFone is currently the nation's leading provider of prepaid wireless telecommunications services, and one of the largest wireless carriers overall, with more than 25 million subscribers nationwide. TracFone provides resold wireless telecommunications service consisting of services obtained from licensed operators of wireless networks. TracFone has provided CMRS service throughout each of the FCC-designated states continuously for more than twenty years. In the FCC-designated states, TracFone obtains service from underlying carriers, including AT&T Wireless, T-Mobile, US Cellular, and Verizon Wireless. TracFone's arrangements with those providers enable it to offer services wherever any of those providers offer service in the FCC-designated states.

On April 11, 2008, the Commission issued an Order designating TracFone as an ETC in its licensed service areas in the FCC-designated states pursuant to Section 214(e)(2) of the Act.<sup>2</sup> In that 2008 TracFone ETC Designation Order, the Commission "clarif[ied] that TracFone's designated service areas do not encompass federally-recognized tribally-owned lands."<sup>3</sup> As noted in the TracFone ETC Designation Order, TracFone did not request ETC designation for Tribal lands in its petitions for designation as an ETC in the FCC-designated states.<sup>4</sup> TracFone seeks to expand its ETC designated service area to include Tribal lands in the FCC-designated

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<sup>2</sup> See *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York et al.*, CC Docket No. 96-45, Order, 23 FCC Rcd 6206 (2008) ("TracFone ETC Designation Order") (designating TracFone as an ETC for Lifeline support only in New York, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania, and the District of Columbia). TracFone's Petition only includes those FCC-designated states in which Tribal lands are located. See 47 C.F.R. § 54.400(e) (defining a "[Lifeline] eligible resident of Tribal lands" as a "qualifying low-income consumer" as defined in 47 C.F.R. § 54.400(a) "living on Tribal lands.").

<sup>3</sup> *Id.* ¶ 17. The FCC's rules define "Tribal lands" to include "any federally-recognized Indian tribe's reservation, pueblo, or colony" and other types of lands not relevant to TracFone's Petition.

<sup>4</sup> *Id.* ¶ 17 n.49. Those ETC petitions were filed in 2004.

states identified in this Petition. The Commission's grant of this Petition would benefit the public interest by allowing TracFone to provide enhanced Lifeline benefits to Tribal land households in FCC-designated states and introducing more robust competition in the provision of Lifeline service in general and expanding the availability of mobile broadband service to Tribal land residents in particular.

**II. THE COMMISSION SHOULD EXPAND TRACFONE'S ETC DESIGNATED SERVICE AREAS TO INCLUDE TRIBAL LANDS IN FCC-DESIGNATED STATES.**

By this Petition, TracFone asks the Commission to expand its ETC designated service area to include Tribal lands. The Commission determined in its TracFone ETC Designation Order that TracFone met the federal requirements for designation as an ETC for the purpose of receiving federal Lifeline support. Given that federal Tribal lands support is a type of federal Lifeline support, TracFone has already demonstrated that it meets the requirements for designation as an ETC for the purpose of receiving federal Tribal lands support. Therefore, this Petition focuses on how expansion of TracFone's ETC designated service will serve the public interest.

Federal Tribal lands Universal Service Fund ("USF") support provides ETCs with an additional \$25.00 per month per Lifeline customer above the \$9.25 support amount provided under the federal Lifeline program, for a total of \$34.25 in federal Lifeline support. TracFone, as a recipient of federal Tribal lands and non-Tribal lands support, would offer Lifeline customers residing on Tribal lands in FCC-designated states unlimited airtime voice minutes, unlimited text messaging and 2 GB of mobile broadband data each month. The voice portion of TracFone's Lifeline service will include unlimited three-way calling, voicemail, caller ID, call waiting, national long distance calling without toll charges, and no charges for roaming. TracFone's Lifeline service will also include unlimited text messages. Tribal lands customers will have the

option of receiving a free Android smartphone from TracFone (which will be Wi-Fi-capable)<sup>5</sup> or using their own smartphone. Those Lifeline customers residing on Tribal lands who choose to use their own smartphone will receive an additional 500 MB of broadband data, for a total of 2.5 GB of mobile broadband data, for the first three months for which they are TracFone Lifeline customers. Commencing with the fourth month of service, new Tribal lands Lifeline customers who bring their own smartphone will receive 2 GB of mobile broadband data.

TracFone's proposed Lifeline offering to residents of Tribal lands is currently four times greater than the Commission's minimum service standards for Lifeline service. As established by the Commission in its Lifeline Modernization Order, effective December 2, 2016, mobile providers must provide at least 500 MB of mobile broadband data each month to qualify for broadband federal Lifeline support.<sup>6</sup> The FCC has not established a minimum amount of data that must be offered to receive Lifeline Tribal lands support. However, as required by Commission rules, TracFone certifies that it will pass through to Tribal land residents the entire amount of federal USF support it receives for providing Lifeline service to residents of Tribal lands.<sup>7</sup> TracFone's bundled mobile broadband data and voice Lifeline offering to residents of Tribal lands will provide qualifying subscribers who reside on Tribal lands with unlimited airtime minutes plus an additional 1.5 GB of mobile broadband data above the broadband data amount TracFone provides to its Lifeline subscribers who do not reside on Tribal lands in the

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<sup>5</sup> See 47 C.F.R. § 54.408(f).

<sup>6</sup> *Lifeline and Link Up Reform and Modernization, et al. (Third Report and Order, Further Report and Order, and Order on Reconsideration)*, 31 FCC Rcd 3962 (2016) ("Lifeline Modernization Order"); see also 47 C.F.R. § 54.408(b)(2).

<sup>7</sup> See 47 C.F.R. § 54.403(a)(3).

FCC-designated states identified in this Petition.<sup>8</sup> By doing so, TracFone will ensure that Lifeline customers residing on Tribal lands receive the full benefit of the additional Tribal lands support.<sup>9</sup> In short, all TracFone Lifeline consumers residing on Tribal lands will receive at least 2 GB of mobile broadband data. TracFone is not aware of any comparable Lifeline program being offered to residents of Tribal lands in the FCC-designated states by any designated Lifeline provider.

Expansion of TracFone's ETC designated Lifeline service area in the FCC-designated states to include Tribal lands will serve the public interest because it will enable TracFone to provide enhanced Lifeline benefits to Tribal land households that are eligible for Lifeline service. As noted by the Commission, "Tribal lands historically have had less access to telecommunications services than any other segment of the population."<sup>10</sup> Consumers who live on remote and underserved Tribal lands have difficulty in accessing basic services, as well as advanced telecommunications services, such as broadband services. Therefore, the availability of Lifeline support to provide Tribal lands residents services that include basic telecommunications services as well as advanced telecommunications services (*i.e.*, Internet

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<sup>8</sup> TracFone's standard monthly Lifeline plan offered to residents of non-Tribal lands includes 350 airtime minutes, unlimited text messaging and 500 MB of mobile broadband Internet access service.

<sup>9</sup> As the FCC's monthly minimum service standard increases over time (in accordance with 47 C.F.R. § 54.408(b)), TracFone plans to continue providing qualifying Tribal lands Lifeline subscribers with an additional 1.5 GB of mobile broadband data above the amount of data that TracFone provides to Lifeline customers who do not reside on Tribal lands.

<sup>10</sup> Lifeline Modernization Order, ¶ 206.

access via broadband services) has been and continues to be especially important.<sup>11</sup> Indeed, the Commission recently found that “the disproportionately low adoption of telecommunication services on Tribal lands, especially those in remote and underserved areas, makes clear that there is much more progress to be made in increasing penetration and adoption of Lifeline services.”<sup>12</sup> By this Petition, TracFone requests the Commission’s consent to contribute to that progress.

Allowing TracFone to offer Lifeline service on Tribal lands in FCC-designated states also will serve the public interest because it will introduce more competition in the provision of Lifeline service. Specifically, TracFone’s receipt of Tribal land support will benefit low-income Tribal land residents by increasing the number of Lifeline providers allowed to use the additional federal support to offer enhanced Lifeline service to residents of Tribal lands in the FCC-designated states. Currently, no ETCs are providing Lifeline service on Tribal lands in Connecticut, Massachusetts, and Virginia.<sup>13</sup> Furthermore, only a few households in New York are benefitting from the enhanced Lifeline support available to qualifying residents of Tribal lands.<sup>14</sup> Although there are greater numbers of households receiving Tribal lands support in Alabama and North Carolina, the Lifeline benefits available in those states are not as generous as TracFone’s offering.

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<sup>11</sup> See *id.* (citing *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, 2016 Broadband Progress Report, 31 FCC Rcd 699, 731-32, ¶ 79 (2016) and *Federal-State Joint Board on Universal Service; Promoting Deployment and Subscriberhip in Unserved and Underserved Areas, Including Tribal and Insular Areas*, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12211-15, ¶¶ 1-11 (2000)).

<sup>12</sup> Lifeline Modernization Order, ¶ 205.

<sup>13</sup> See LI05 Annual Low Income Support Claimed by State and Company January 2013 through June 2017.xlsx, available at <http://www.usac.org/about/tools/fcc/filings/2017/q4.aspx> (“USAC Low Income Support Report”).

<sup>14</sup> See *id.*

In Alabama, only three ETCs receive federal Tribal lands support. North American Local LLC (“North American Local”), a wireless provider, receives almost 100 percent of the Tribal lands support in Alabama.<sup>15</sup> North American Local’s Tribal lands Lifeline plan available for no charge includes 1,000 minutes, 1,700 texts, and 100 MB of mobile data.<sup>16</sup> In contrast, TracFone’s no charge Tribal lands Lifeline plan will offer unlimited voice minutes and unlimited texts and 2 GB of mobile data. North American Local also offers residents of Tribal lands a Lifeline plan with unlimited minutes and texts, but that plan only provides 1 GB of data (half the amount of mobile broadband data service to be provided by TracFone) and costs each enrolled Lifeline consumer \$19.95 per month.

In North Carolina, Frontier Communications of the Carolinas Inc. (“Frontier”), a wireline carrier, is the only ETC that receives Tribal lands support.<sup>17</sup> Frontier’s Tribal lands Lifeline plan offers eligible households a monthly discount of up to \$34.25 off the monthly service charge. Frontier’s least expensive bundled Internet and unlimited voice service for which the Internet service portion of the service meets the Commission’s minimum service standard for fixed broadband costs \$70.98 per month.<sup>18</sup> Therefore, after applying the \$34.25 discount, a Lifeline subscriber who qualifies for Tribal lands Lifeline service must pay out of pocket \$36.73 per month for Frontier’s bundled service plan. While wireline and wireless services are not directly comparable, there is no doubt that TracFone’s Tribal lands no charge Lifeline offering would

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<sup>15</sup> *See id.*

<sup>16</sup> *See* <http://www.northamericanlocal.com/Lifeline.html>.

<sup>17</sup> *See* USAC Low Income Support Report.

<sup>18</sup> *See* 47 C.F.R. § 54.408 (b)(1)(i) (“[t]he minimum service standard for fixed broadband speed will be 10 Megabits per second downstream/1Megabit per second upstream.”). Frontier’s Internet access service is advertised as “Internet as fast as 12 Mbps.” *See* <https://frontier.com/shop/bundles>. Therefore, Frontier does not even guarantee that its Internet Access service actually meets the 10 Megabits per second speed requirement.

provide Tribal lands households with a significantly less expensive and more affordable alternative bundled service that includes unlimited voice and text service, as well as the benefits of mobile voice and broadband Internet access service. In fact, Lifeline households, overwhelmingly choose wireless Lifeline service over wireline Lifeline service.<sup>19</sup>

TracFone's ability to pass through Tribal lands support to residents of Tribal lands will provide a competitive and valuable alternative to the existing Lifeline services available to the low-income households residing on Tribal lands in the FCC-designated states and will increase the participation in Lifeline by persons residing in those areas not currently served by other ETCs. That increased competition will lead to additional consumer choices and delivery of greater value to consumers. If the Commission authorizes TracFone to expand its designated service area to include Tribal lands, then TracFone will deliver enhanced service choices and greater value to qualifying households residing on Tribal lands in the FCC-designated states as described in this Petition.

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<sup>19</sup> As of June 2017, wireless carriers received 88.8 percent of the federal USF Lifeline support distributed to ETCs in Alabama and 95.5 percent of the federal USF Lifeline support distributed to ETCs in North Carolina. See USAC Low Income Support Report; see also <http://www.usac.org/li/about/process-overview/stats/historical-support-distribution.aspx>. (as of March 2016, 89 percent of all federal USF Lifeline support distributed to ETCs throughout the country was received by wireless carriers).



## CONCLUSION

Based on the foregoing, TracFone requests that the Commission promptly grant its Petition to expand its designated service area to include Tribal lands in Alabama, Connecticut, Massachusetts, New York, North Carolina, and Virginia.

Respectfully submitted,

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